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Copley News Service
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Article Links News Chain to C.I.A.

WASHINGTON, July 8 (UPI)—Penthouse magazine said today that the California-based Copley newspaper group and its domestic and Latin American news service for two decades "acted as intelligence arms of the Central Intelligence Agency and the Federal Bureau of Investigation."

An article in the August edition said "no less than 23 Copley News Service employees had worked for the C.I.A. simultaneously" over the years. It said the employees also performed services for the F.B.I. such as identifying antiwar and dissident individuals and groups.

The 23 employees were not identified. Most apparently were stringer correspondents for the news service in its once extensive Latin American operation.

Richard G. Capen Jr., senior vice president of operations of the Copley Press, denied the report.

"As to the allegation of a linkage between the C.I.A. and Copley newspapers or Copley News Service, have been assured by the highest levels within the C.I.A. that no employees of Copley newspapers or C.N.S. have been employees of the agency."

Mr. Capen said the Penthouse charges were "old allegations that Copley newspapers have repeatedly denied over the past two years."

A C.I.A. spokesman declined comment until he had seen the full article.

Joe Trento, a Democrat who originally voiced the charges against Copley in his unsuccessful campaign for Congress in California last year, and Dave Roman, a freelance reporter, told a news conference that their findings were the result of a yearlong investigation of Copley Press Inc. under a \$2,000 grant from the Fund for Investigative Journalism.

They said the Copley connections were worked out personally in 1952-1953 and thereafter by the late James S. Copley with President Eisenhower and J. Edgar Hoover, the late F.B.I. Director.

The activities apparently stopped with the death of Mr. Copley in 1973, they said, but some employees who formerly also worked for the C.I.A. were still on the payroll.

The article said that Copley News Service exchanged intelligence information with the C.I.A. for "scoops," harbored agency operatives on the payroll and provided client newspapers with articles at the request of the intelligence organization.

Herbert G. Klein and Gerald L. Warren, two of President Nixon's staff, serve as editors of The San Diego Union, "the Copley Flagship newspaper." Mr. Warren, the current editor, was quoted by the Penthouse article as saying he vaguely remembered the system supplying the F.B.I. with memos on the Black Panthers and other groups.